

**MINUTES OF A REGULAR MEETING OF THE
HICKORY HILLS POLICE PENSION FUND
BOARD OF TRUSTEES
NOVEMBER 20, 2019**

A regular meeting of the Hickory Hills Police Pension Fund Board of Trustees was held on Wednesday, November 20, 2019 at 5:30 p.m. at the Hickory Hills Police Department located at 8800 W. 87th St., Hickory Hills, Illinois 60457, pursuant to notice.

CALL TO ORDER: Trustee McDonald called the meeting to order at 5:30 p.m.

ROLL CALL:

PRESENT: Trustees Mary McDonald, Alejandro Lopez, Robert Troy and Brian Nelligan

ABSENT: None

ALSO PRESENT: John Falduto and Ed Lavin, Sawyer Falduto Asset Management, LLC; Amanda Secor and Michael May, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *October 16, 2019 Regular Meeting:* The Board reviewed the October 16, 2019 regular meeting minutes. A motion was made by Trustee Troy and seconded by Trustee Lopez to approve the October 16, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

Trustee Nelligan left the meeting at 5:36 p.m.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the five-month period ending September 30, 2019. As of September 30, 2019, the net position held in trust for pension benefits is \$27,722,085.27, for a change in position of \$556,278.36. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report Payroll Journal and the Vendor Check Report for the period July 1, 2019 through September 30, 2019 for total disbursements of \$86,176.84. A motion was made by Trustee Lopez and seconded by Trustee Troy to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$86,176.84. Motion carried by roll call vote.

AYES: Trustees McDonald, Lopez and Troy

NAYS: None

ABSENT: Trustee Nelligan

Trustee Nelligan returned at 5:40 p.m.

Additional Bills, if any: The Board reviewed the following invoice and reimbursement for approval:

- Reimer & Dobrovolny PC invoice #25188 in the amount of \$100 dated August 7, 2019 for legal services rendered
- Reimbursement to Trustee Lopez in the amount \$768.04 for expenses incurred at the 2019 IPPFA Pension Conference

A motion was made by Trustee Troy and seconded by Trustee Nelligan to approve payment of the additional invoice and reimbursement as presented. Motion carried by roll call vote.

AYES: Trustees McDonald, Lopez, Troy and Nelligan
NAYS: None
ABSENT: None

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending September 30, 2019. As of September 30, 2019, the third quarter net return is 1.13% versus the third quarter account benchmark of 1.56%. The investment return for the quarter is \$325,063 for an ending market value of \$27,703,294. The current asset allocation is as follows: fixed income at 38.7%, equities at 59.9% and cash equivalents at 1.4%. Mr. Lavin reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board. A motion was made by Trustee Lopez and seconded by Trustee Nelligan to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: The Board reviewed the Investment Policy in summary and determined that no updates were necessary at this time.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that all 2019 Affidavits of Continued Eligibility have been received by L&A. The originals were presented to the Board for their records.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Timothy Stevens:* The Board reviewed the regular retirement benefit calculation for Timothy Stevens prepared by L&A. Lieutenant Stevens had an entry date of October 7, 1991, retirement date of October 7, 2019, effective date of pension of October 8, 2019, 52 years of age at date of retirement, 28 years of creditable service, applicable salary of \$114,486.55, applicable pension percentage of 70%, amount of originally granted monthly pension of \$6,678.38 and amount of originally granted annual pension of \$80,140.56. A motion was made by Trustee Troy and seconded by Trustee Lopez to approve Timothy Stevens's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees McDonald, Lopez, Troy and Nelligan
NAYS: None
ABSENT: None

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Jacob Jakaitis:* The Board reviewed the Application for Membership submitted by Jacob Jakaitis. A motion was made by Trustee Nelligan and seconded by Trustee Lopez to accept Jacob Jakaitis into the Hickory Hills Police Pension Fund effective September 1, 2019, as a Tier II participant. Motion carried unanimously by voice vote.

OLD BUSINESS: *IDOI Annual Statement:* The Board noted that the IDOI Annual Statement was filed with the Illinois Department of Insurance prior to the October 31, 2019 deadline. No further action is necessary.

TRUSTEE TRAINING UPDATES: The Board discussed upcoming training opportunities. All Trustees were reminded to submit their training certificates to L&A for recordkeeping.

Approval of Trustee Training Registration Fees and Reimbursable Expenses: This item was addressed under additional bills.

NEW BUSINESS: *Fiduciary Liability Insurance Renewal:* Trustee McDonald informed the Board that she will research the status of the Fiduciary Liability Insurance renewal from Arthur J. Gallagher Risk Management Services, Inc. A status update will be provided at the next regular meeting.

Review/Possible Approval – HELPS Program for Beneficiaries: The Board discussed the Healthcare Enhancement for Local Public Safety (HELPS) Retiree Act. L&A reviewed the service with the Board. The Board directed L&A to send information to pensioners regarding the HELPS program with the December payroll cycles in order to gauge interest in the service.

Review/Approve – Actuarial Valuation and Tax Levy Request: The Board reviewed the draft Actuarial Valuation prepared by L&A. Based on data and assumptions, the recommended contribution amount is \$1,525,945 which is a \$141,939 increase from the prior year contribution. The statutory minimum requirement is \$964,220. A motion was made by Trustee Lopez and seconded by Trustee Nelligan to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$1,525,945 from the City of Hickory Hills Board of Trustees based on the recommended amount stated in the Actuarial Valuation prepared by L&A subject to no changes to the final assets that would result in a change to the recommended contribution amount upon receipt of the finalized City audit. Motion carried by roll call vote.

AYES: Trustees McDonald, Lopez, Troy and Nelligan

NAYS: None

ABSENT: None

Review/Adopt – Municipal Compliance Report: The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Trustee Lopez and seconded by Trustee Nelligan to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried unanimously by voice vote.

IDOI Compliance Examination: The Board discussed the IDOI Compliance Examination received by the Fund on April 29, 2019 and noted that all requested correspondence was forwarded to the IDOI. The Board received a draft compliance examination report from the IDOI on September 11, 2019 and subsequently responded within the required two-week timeframe. The Board reviewed the Statement of Board Actions prepared by Trustee McDonald dated November 20, 2019 and executed the Statement. Trustee McDonald will submit the Statement on behalf of the Board.

Establish 2020 Board Meeting Dates: The Board discussed establishing the 2020 Board meeting dates as January 15, 2020; April 15, 2020; July 15, 2020 and October 14, 2020 at 5:30 p.m. at the Police Department located at 8800 W. 87th Street, Hickory Hills, Illinois 60457. A motion was made by Trustee Lopez and seconded by Trustee Troy to establish the 2020 Board meeting dates as stated. Motion carried unanimously by voice vote.

ATTORNEY'S REPORT – REIMER & DOBROVOLNY PC: *Legal Updates:* The Board reviewed the Reimer & Dobrovoly PC quarterly newsletter, *Legal and Legislative Update*.

Review/Adopt – Resolution Regarding Consolidation of Pension Funds: The Board reviewed the Resolution Regarding Consolidation of Pension Funds provided by Attorney Reimer and noted that due to recently passed legislation, the adoption of the document is obsolete. No further action is required.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Lopez and seconded by Trustee Nelligan to adjourn the meeting at 6:53 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for Wednesday, January 15, 2020 at 5:30 p.m.

Mary G McDonald
Board President or Secretary

Minutes approved by the Board of Trustees on 01-15-2020

Minutes prepared by Amanda Secor, Pension Services Administrator, Lauterbach & Amen, LLP